



POLICY ON NOMINATION AND REMUNERATION

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (Committee) and has been approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Auto Component industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 01 August, 2014.

Effective Date:

This policy shall be effective with retrospective effect from 01 April, 2014.

Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted on 22 April, 2002 by renaming it as Nomination and Remuneration Committee on 07 May, 2014. The constitution of the Nomination and Remuneration Committee shall be as per following:

- The Committee shall comprise of at least three Directors.
- All members of the Committee shall be Non Executive Directors.
- At least two thirds of the members shall be Independent Directors.
- Chairperson of the Nomination and Remuneration Committee shall be an Independent Director; provided that Chairperson of the Company, whether Executive or Non Executive may be appointed as member of the Nomination and Remuneration Committee but shall not chair such Committee.

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.